

Internal Revenue Service

Department of the Treasury

CERTIFIED MAIL

ADm

Date:

AUG 23 1991

Employer Identification Number:

Form Number:

1120

Tax Years:

June 30, 1988 & following

Key District:

Baltimore
Person to Contact:

Contact Telephone Number:

— Dear Sir/Madame:

This is a final adverse determination as to your exempt status under section 501(c)(3) of the Internal Revenue Code.

Our adverse determination was made for the following reason(s):

You are not organized or operated exclusively for a purpose set forth in §501(c)(3).

DEFAULTED

DATE: 01-03-92

Contributions to your organization are not deductible under Code section 170.

You are required to file Federal income tax returns on the form indicated above. Based on the financial information you furnished, it appears that returns should be filed for the above years. You should file these returns with your key District Director, EP/EO Division, within 30 days from the date of this letter, unless a request for an extension of time is granted. Processing of income tax returns and assessment of any taxes due will not be delayed because you have filed a petition for declaratory judgment under Code section 7428. You should file returns for later tax years with the appropriate service center shown in the instructions for those returns.

If you decide to contest this determination under the declaratory judgment provisions of Code section 7428, a petition to the United States Tax Court, the United States Court of Claims, or the district court of the United States for the District of Columbia must be filed within 90 days from the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for filing petitions for declaratory judgment.

(over)

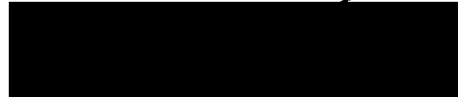
Mid-Atlantic Region Appeals Office
600 Arch Street, Room 4454, Philadelphia, PA 19106

Letter 1371(RO) (1-80)

We will notify the appropriate State officials of this action, as required by Code section 6104(c).

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A solid black rectangular box used to redact the signature of the Associate Chief, Appeals.

Associate Chief, Appeals

[REDACTED]

CERTIFIED MAIL

[REDACTED]

JUN 26 1989

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted indicates that you were incorporated on [REDACTED] under the laws of the State of [REDACTED].

Your stated purpose is to purchase, remodel, and renovate four condominium units in the [REDACTED] currently leased to various health care providers and health related organizations and agencies. Proceeds of the lease are to be applied to the cost and maintenance of the premises and to providing other and additional health related services at no charge or at cost.

Section 501(c)(3) of the Internal Revenue Code exempts from federal income tax organizations that are organized and operated exclusively for charitable, religious, educational, or scientific purposes in the general law of charity, the promotion of health is considered to be a charitable purpose.

Section 1.501(c)(3)-1(d)(1)(ii) states that the organization is not organized for one or more 501(c)(3) purposes unless it serves a public rather than a private interest. Thus, it is necessary for an organization to establish that it is not organized and operated for the benefit of private interests such as designated individuals, the creator or his family, or shareholders of the organization.

Section 1.501(c)(3)-1(e)(1) states that if an organization has as its primary purpose, the carrying on of a trade or business, then it may not be exempt.

The evidence submitted indicates that the primary purpose of the organization is the purchase, remodeling and subsequent leasing of condominium units in a professional building to health care providers. There is no evidence submitted to indicate whether the health care providers meet the definition of exempt organizations under section 501(c)(3) of the Code.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]	[REDACTED]				
Date	4/10/89	4/10/89	6/2/89				

[REDACTED]

The purchase, remodeling, and subsequent rental or leasing of condominium units in a professional building is not a purpose specified in section 501(c)(3) as qualifying an organization for exemption under that section.

Under section 502 of the Code this primary purpose would preclude exemption even if any and all profits were payable to organizations exempt under section 501(c)(3).

Accordingly, you do not qualify for exemption from federal income tax under section 501(c)(3) of the Code.

Until you have established an exempt status, you are not relieved of the requirement for filing federal income tax returns.

Section 7428 of the Code provides for bringing suit for a declaratory judgment in the United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia with respect to this determination. However, section 7428(b)(2) of the Code provides, in part, that, "a declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office, or, if you request, at any mutually convenient district office. If we do not hear from you within 30 days of the date of this letter, this determination will become final.

Sincerely yours,

[REDACTED]

[REDACTED]

District Director

Enclosure: Publication 892

cc: Power of Attorney

[REDACTED]